

March 15, 2018

VIA ELECTRONIC FILING

Ms. Jocelyn Boyd
Chief Clerk and Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Re: Docket No. 2017-7-G

Dear Ms. Boyd:

Pursuant to Section 58-5-430 of the South Carolina Code of Laws (Natural Gas Rate Stabilization Act), enclosed please find the quarterly monitoring report for the twelve-month period ending December 31, 2017 for Piedmont Natural Gas Company, Inc.

If you have any questions about this filing, you may reach me at 704-731-4259.

Sincerely,

/s/ Pia K. Powers
Director – Gas Rates & Regulatory Affairs

Enclosures

cc: Bruce Barkley
Jeff Nelson
James H. Jeffries IV

Net Operating Income and Rate of Return
For The Twelve Months Ended December 31, 2017
South Carolina
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	(1)	(2)	(3)
	<u>Per Filing</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 143,905,015	\$ 5,064,779	\$ 148,969,794
Other Operating Revenues	609,077	-	609,077
Total Operating Revenue	\$ 144,514,092	\$ 5,064,779	\$ 149,578,871
Operating Expenses			
Cost of Gas	\$ 60,456,651	\$ 1,950,952	\$ 62,407,603
Other Operation & Maintenance	29,854,372	(162,543)	29,691,829
Depreciation	12,868,319	1,512,588	14,380,907
General Taxes	6,364,028	773,683	7,137,711
State Income Taxes	(964,950)	2,402,692	1,437,742
Federal Income Taxes	9,329,342	231,644	9,560,986
Amort. of ITC	(20,456)	-	(20,456)
Total Operating Expenses	\$ 117,887,306	\$ 6,709,016	\$ 124,596,322
Net Operating Income	\$ 26,626,786	\$ (1,644,237)	\$ 24,982,549
Interest on Customer Deposits	(74,071)	-	(74,071)
Amortization of Debt Redemption Premium	-	-	-
AFUDC	461,584	-	461,584
Customer Growth	242,304	(14,963)	227,341
Net Operating Income For Return	\$ 27,256,603	\$ (1,659,200)	\$ 25,597,403
Original Cost Rate Base			
Plant In Service	\$ 613,184,068	\$ -	\$ 613,184,068
Accumulated Depreciation	(228,085,389)	-	(228,085,389)
Net Plant In Service	\$ 385,098,679	\$ -	\$ 385,098,679
Add:			
Construction Work In Progress	27,074,892	-	27,074,892
Materials and Supplies	7,505,625	-	7,505,625
Cash Working Capital	5,400,682	(1,520,644)	3,880,038
Deduct:			
Customer Advances for Construction	-	-	-
Customer Deposits	2,195,401	-	2,195,401
Accumulated Deferred Income Taxes	75,266,863	-	75,266,863
Unclaimed Funds	136,359	-	136,359
Total Original Cost Rate Base	\$ 347,481,255	\$ (1,520,644)	\$ 345,960,611
Return on rate base	7.84%		7.40%

Net Operating Income and Rate of Return
 For The Twelve Months Ended December 31, 2017
 South Carolina
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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	After Accounting and Proforma Adjustments								
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Settlement Capitalization	Calculated Ratio %	Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	\$ 1,782,629,064	\$ -	\$ 1,782,629,064	51.74%	47.00%	\$ 162,601,487	4.67%	2.19%	\$ 7,593,489
2. Common Equity	1,662,644,411	-	1,662,644,411	48.26%	53.00%	183,359,124	9.82%	5.20%	18,003,913
3. Total	\$ 3,445,273,475	\$ -	\$ 3,445,273,475	100.00%	100.00%	\$ 345,960,611		7.40%	\$ 25,597,403

CERTIFICATION

I, Lynn J. Good, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Lynn J. Good
Chairman, President and CEO



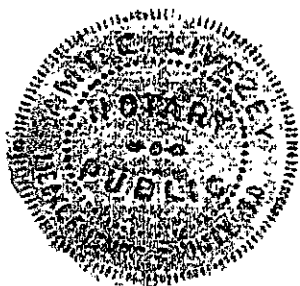
Date Signed

Subscribed and Sworn to before me this
9th day of March, 2018.



Notary Public

My Commission Expires 11/16/22.



CERTIFICATION

I, Steven K. Young, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

Steven K. Young
 Steven K. Young
 Executive Vice President and CFO

March 5, 2018
 Date Signed

Subscribed and Sworn to before me this
5th day of March, 2018.

Amey S. Young
 Notary Public

My Commission Expires 11-16-22.



CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached document is being served this date via email and UPS Overnight upon:

Jeffrey M. Nelson
Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, South Carolina 29201
jnelson@regstaff.sc.gov

And that a copy of the attached document is being served this date via email or U.S. Mail upon:

Bruce Barkley
Vice President
Regulatory and Community Relations
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
bruce.barkley@piedmontng.com

and

Pia Powers
Director – Gas Rates & Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
pia.powers@piedmontng.com

This the 15th day of March, 2018.

/s/ Richard K. Goley
Richard K. Goley